

LAS ANIMAS / BENT COUNTY HOUSING AUTHORITY

Financial Statements

With Independent Auditor's Report

December 31, 2023

TABLE OF CONTENTS

Independent Auditors' Report	1
Management Discussion and Analysis	4-6
Basic Financial Statements	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10-17
SUPPLEMENTAL INFORMATION	
Combining Financial Statements:	
Combining Schedule of Program Net Position	18
Combining Schedule of Program Revenues, Expenses and Changes in Fund Net Position	19
Financial Data Schedule	20-24
SINGLE AUDIT SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26
Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Uniform Guidance	27-29
Schedule of Expenditures of Federal Awards	30
Schedule of Findings and Questioned Costs	31

Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Las Animas / Bent County Housing Authority
Las Animas / Bent County, Colorado

Opinions

We have audited the accompanying financial statements of Las Animas Housing Authority as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Las Animas Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Las Animas Housing Authority as of December 31, 2023, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Las Animas Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Animas Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PO Box 1576
Fort Collins, CO 80522

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Las Animas Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Animas Housing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Las Animas Housing Authority's basic financial statements. The Combining Schedules, Financial Data Schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedules, Financial Data Schedules, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 30, 2024 on our consideration of the Las Animas Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Las Animas Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Animas Housing Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Gumm + Associates LLC". The signature is written in a cursive, flowing style.

Fort Collins, Colorado
August 30, 2024

Management Discussion and Analysis

Management Discussion and Analysis

As management of the Las Animas / Bent County Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2023.

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statement. The Authority's financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Statements The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as an underlying event giving rise to the change occurs, regardless of the time of related cash flows.

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority one proprietary enterprise fund that consists of three housing and grant programs which are described in Note 1 to Financial Statements.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 9 to 16 of this report.

Financial Analysis

As noted, net position may, over time serve as a useful indicator of the Authority's financial position. The Liabilities of the Authority exceeded its assets at the close of the most recent fiscal year by \$106,324.

The largest portion of the Authority's net position is restricted for future uses such as renovation of current assets and funding of housing assistance payments.

Condensed Statement of Net Position

	2023	2022	Increase (Decrease)
ASSETS			
Cash and equivalents	\$ 181,500	\$ 110,143	\$ 71,357
Other current assets	28,478	21,955	6,523
Capital assets	291,722	291,730	(8)
Total Assets	<u>501,700</u>	<u>423,828</u>	<u>77,872</u>
LIABILITIES			
Current liabilities	121,071	136,022	(14,951)
Long term liabilities	486,953	381,601	105,352
Total liabilities	<u>608,024</u>	<u>517,623</u>	<u>90,401</u>
NET POSITION			
Net investment in capital assets	(225,288)	(124,626)	(100,662)
Restricted	104,960	119,046	(14,086)
Unrestricted	14,004	(88,215)	102,219
Total Net Position	<u>\$ (106,324)</u>	<u>\$ (93,795)</u>	<u>\$ (12,529)</u>

Current and other assets are increased due to an increase in cash related to the issuance of the new loan.

Long term liabilities increased due to the issuance of additional long-term debt.

Condensed Statement of Activities

	2023	2022	Increase (Decrease)
Revenue:			
Operating Revenue	\$ 329,778	\$ 308,093	\$ 21,685
Non Operating Revenue	542,807	635,908	(93,101)
Interest Income	556	147	409
Total Revenue	<u>873,141</u>	<u>944,148</u>	<u>(71,007)</u>
Expenses:			
Operating Expenses	283,530	274,183	9,347
Housing Assistance Payments	562,739	629,308	(66,569)
Interest Expense and loan costs	39,401	13,807	25,594
Total Expenses	<u>885,670</u>	<u>917,298</u>	<u>(31,628)</u>
Change in Net Position	(12,529)	26,850	(39,379)
Net Position-Beginning	(93,795)	(120,645)	26,850
Net Position-Ending	<u>\$ (106,324)</u>	<u>\$ (93,795)</u>	<u>\$ (12,529)</u>

Operating revenue increased by \$21,685 due to a decrease in vacancy rates. Operating expenses increased by \$9,347 from the prior year due to an increase in maintenance of buildings and management costs which were offset by a reduction in depreciation expense. The Authority had a decrease in net position of \$12,529.

Condensed Statement of Cash Flows

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Cash from (for) Operating Activities	\$ 66,496	\$ 58,136	\$ 8,360
Cash from Non Capital Financing Activities	(19,932)	6,600	(26,532)
Cash from (for) Capital and Related Financing Activities	24,237	(70,234)	94,471
Cash from (for) Investing Activities	556	147	409
Increase (Decrease)	<u>71,357</u>	<u>(5,351)</u>	<u>76,708</u>
Cash and Cash Equivalents, Beginning of Year	<u>110,143</u>	<u>115,494</u>	<u>(5,351)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 181,500</u>	<u>\$ 110,143</u>	<u>\$ 71,357</u>

Capital Asset and Debt Administration

Capital Assets. The Authority's net capital assets as of December 31, 2023, amounts to \$291,722 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment. The Authority's capital expenditure during fiscal year 2023 were \$28,810. The Authority did not dispose of any capital assets during the year. Additional information on capital assets can be found in note 5 to the accompanying financial statements.

Long Term Debt

At the end of the year, the Authority had outstanding long-term debt of \$532,123. The changes in long term debt were the scheduled payments of principal, and the re-financing of the First National Bank loan and the repayment of the Total Concept loan with those proceeds. Additional information on Long-Term Debt can be found in note 5.

Economic Factors and Next Year's Revenue

The Authority does not receive any revenue by taxes. The Authority is not expected to receive another capital contribution in 2024. It is anticipated that vacancy rates will decrease which will increase rental revenues. The remaining revenues are expected to remain similar as the prior year.

Request for Information

This financial report is designed to provide an overview of the Las Animas/Bent County Housing Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Authority's Executive Director, 326 Prowers Ct, PO Box 247, Las Animas, CO 81054.

Basic Financial Statements

Las Animas / Bent County Housing Authority
Statement of Net Position
December 31, 2023

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	\$	89,259
Cash security deposits		18,978
Accounts receivable, net		5,096
Other receivables		7,481
Escrow accounts		5,741
Prepaid expenses		10,160
Cash - restricted		73,263

Total Current Assets		209,978
----------------------	--	---------

Capital assets

Land		82,007
Buildings		1,784,233
Machinery and equipment		65,006
Less: accumulated depreciation		(1,639,524)

Net Capital Assets		291,722
--------------------	--	---------

Total Assets		501,700
---------------------	--	----------------

LIABILITIES

Current Liabilities

Accounts payable		53,744
Accrued interest		278
Tenant security deposits		18,978
Accrued payroll taxes		2,901
Long term debt - current portion		45,170

Total Current Liabilities		121,071
---------------------------	--	---------

Long Term Liabilities

Long term debt		486,953
----------------	--	---------

Total Long Term Liabilities		486,953
-----------------------------	--	---------

Total Liabilities		608,024
--------------------------	--	----------------

Net Position

Net investment in capital assets		(225,288)
Restricted for HAP		51,833
Restricted - other		53,127
Unrestricted		14,004

Total Net Position	\$	(106,324)
---------------------------	-----------	------------------

Las Animas / Bent County Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

Operating Revenues	
Dwelling Rental - Net	\$ 87,058
Rental subsidy	149,256
Administrative fee	91,051
Miscellaneous revenue	2,413
Total Operating Revenues	329,778
 Operating Expenses	
General and Administrative	125,809
Utilities	37,304
Maintenance and Operation	91,599
Depreciation and Amortization	28,818
Total Operating Expenses	283,530
Operating Income (Loss)	46,248
 Non-Operating Revenues (Expenses)	
HUD Contributions and Grants	542,807
Housing Assistance Payments	(562,739)
Interest Expense and Loan Issuance Costs	(39,401)
Interest Income	556
Total Non-Operating Revenues (Expenses)	(58,777)
Change in Net Position	(12,529)
Net Position, Beginning of Year	(93,795)
Net Position, End of Year	\$ (106,324)

Las Animas / Bent County Housing Authority
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash Flows From Operating Activities:	
Cash Received from Tenants and Subsidies	\$ 325,779
Cash Payments to Tenants and Suppliers	(259,283)
Net Cash Provided For Operating Activities	66,496
 Cash Flows From Noncapital Financing Activities:	
HUD Contributions and Grants	542,807
Housing Assistance Payments	(562,739)
Net Cash Provided by Non-Capital Financing Activities	(19,932)
 Cash Flows From Capital and Related Financing Activities:	
Purchase of Property, Plant and Equipment	(28,810)
Proceeds from Long Term Debt	400,000
Repayment of Notes and Mortgage	(307,746)
Interest Expense and Loan Issuance Costs	(39,207)
Net Cash (Used) by Capital and Related Financing Activities	24,237
 Cash Flows from Investing Activities:	
Interest Income	556
Net Cash Provided by Investing Activities	556
Net increase in Cash and Cash Equivalents	71,357
Cash and Cash Equivalents, Beginning	110,143
Cash and Cash Equivalents, Ending	\$ 181,500
 Detail of cash and cash equivalents:	
Cash - Unrestricted	89,259
Cash - Security Deposits	18,978
Cash-Restricted	73,263
Total	\$ 181,500
 Reconciliation of Operating Income to Net	
Cash Used for Operating Activities:	
Operating (Loss)	46,248
Adjustments to Reconcile Operating Loss to	
Net Cash Used for Operating Activities:	
Depreciation and Amortization	28,818
Changes in Assets and Liabilities:	
Accounts Receivable	(3,532)
Other Receivables	(7,481)
Prepaid Expenses and Escrow	4,490
Accounts Payable	(9,061)
Prepaid rent	(688)
Security Deposits	7,702
Net Cash Provided for Operating Activities	66,496

Las Animas / Bent County Housing Authority
Notes to the Financial Statements
December 31, 2023

Note 1 Summary of Significant Accounting Policies

The Las Animas / Bent County Housing Authority (the Authority) was established in 1976 by the City of Las Animas, Colorado and Bent County, Colorado. The Authority is operated by a Board of Commissioners.

The accounting policies of the Authority conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority follows all pronouncements issued by GASB. The more significant of the Authority's policies are described below. The Authority does not have any employees and all operations are contracted.

Financial Reporting Entity

The Authority follows the Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Based upon the application of these criteria, no entities will be included in the Authority's reporting entity. The Las Animas / Bent County Housing Authority is not a component unit of any other entities.

Basis of Accounting

Enterprise fund accounting is utilized by the Authority in accordance with accounting principles generally accepted in the United States of America. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets. Retirement of bonds is recorded as a reduction of liabilities.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, cost incurred and/or net income is necessary for management accountability. All assets, deferred inflows, liabilities, deferred outflows associated with the operation of the Authority are included in the statement of net position. The principal operating revenues of the Authority are rental revenues received from tenants and rental subsidies received from government agencies.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprises fund is charges for providing low-income housing. Operating expenses for the enterprise fund include the cost of providing low-income housing, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

The Authority follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended by Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements establish standards for external financial reporting for all state and local governmental entities which includes a management’s discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted.

The Authority presents its activities as a single enterprise proprietary fund and its primary operations are comprised of a number of grant programs as follows:

State and Local Program accounts for the financial activities associated with 12 houses situated in the City of Las Animas, which were constructed with the bond proceeds.

Rural Development Program accounts for the financial activities associated with 10 Farm Labor Housing Units.

Housing Choice Vouchers Program accounts for the financial activities associated with Section 8 Housing Choice Vouchers.

Deferred Outflows / Inflows of Resources

The Authority implemented the provisions of GASB No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65). As a result, in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Assets, Liabilities and Net Position

Investments - Investments are recorded at fair value, which approximates cost.

Receivables - All receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets - These consist of all property, plant and equipment. The Authority defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or estimated historical cost if donated.

Depreciation of all exhaustible capital assets is charged as expense against operations. Accumulated depreciation is reported on the balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20 - 50 years
Improvements	10 - 20 years
Equipment	1 - 20 years

**Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Restricted Assets - Certain resources are set restricted for future uses and are classified as restricted cash and cash equivalents on the balance sheet in the amount of \$73,263 because they are restricted by loan covenants or grant requirements. Of this amount \$53,127 is restricted for capital projects in the farm labor program. The Authority receives payments in advance that are designated for housing assistance by the Department of Housing and Urban Development. These amounts are shown as restricted cash on the Statement of Net Position in the amount of \$20,136. At December 31, 2023 the Authority did not have enough cash to cover the restricted fund balance related to the housing choice vouchers.

Short-Term Inter-program Receivables/Payables and Transfers - During the course of operations, transactions may occur between individual programs for the goods provided or services rendered. These receivables and payables are classified as due from other programs or due to other programs on the balance sheet and have been eliminated in the government wide statement of net position. The outstanding balances between programs result mainly from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between programs are made. The composition of inter program balances is as follows:

Program	Due From:			
Due To:	Farm Labor	HUD	State & Local	Total
Farm labor	\$ -	\$ (8,038)	\$ (97,932)	\$ (105,970)
HUD	8,038	-	1,166	9,204
State & Local	97,932	(1,166)	-	96,766
Total	<u>\$ 105,970</u>	<u>\$ (9,204)</u>	<u>\$ (96,766)</u>	<u>\$ -</u>

Net Position – Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net positions are available for future operations or distributions. The Authority utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes. As of December 31, 2023 the Authority had a deficit in unrestricted net position.

As of December 31, 2023 the Authority reported a deficit net position of \$(106,324).

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as investments (including restricted assets) with maturity of three months or less at date of acquisition. The Authority considers certificates of deposit with maturities of more than three months at date of purchase as investments.

**Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end. The Authority adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Authority Board must approve revisions that alter total expenditures by fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Authority Board or revised by the Authority Board.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2023, the Authority's cash deposits had a carrying balance of \$181,500 and a corresponding bank balance of \$182,033 all of which was insured by the Federal Deposit Insurance Corporation, respectively.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2023, none of the Authority's bank deposits were exposed to custodial credit risk.

**Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 2 Cash and Investments (Continued)

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The Authority does not have a formal investment policy.

Note 3 Accounts Receivable

Accounts receivable balance at December 31, 2023, was comprised of the following:

Program	Subsidy and Other Receivable	Tenants Receivable	Allowance for Bad Debt	Receivable Net of Allowance
State & Local	\$ 1,916	\$ 3,442	\$ (1,350)	\$ 4,008
HCV	-	-	-	-
Rural Development	-	1,088	-	1,088
Total	<u>\$ 1,916</u>	<u>\$ 4,530</u>	<u>\$ (1,350)</u>	<u>\$ 5,096</u>

Note 4 Fixed Assets

The following is a summary of fixed assets at December 31, 2023

	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
Nondepreciable				
Land	\$ 82,007	\$ -	\$ -	\$ 82,007
Total Nondepreciable	<u>82,007</u>	<u>-</u>	<u>-</u>	<u>82,007</u>
Depreciable				
Buildings and improvements	1,755,423	28,810	-	1,784,233
Machinery and equipment	65,006	-	-	65,006
Total Depreciable	<u>1,785,760</u>	<u>28,810</u>	<u>-</u>	<u>1,849,239</u>
TOTAL	<u>1,867,767</u>	<u>28,810</u>	<u>-</u>	<u>1,931,246</u>
Less Accumulated Depreciation	<u>(1,610,706)</u>	<u>(28,818)</u>	<u>-</u>	<u>(1,639,524)</u>
Total Accumulated Depreciation	<u>(1,525,782)</u>	<u>(28,818)</u>	<u>-</u>	<u>(1,639,524)</u>
Net Capital Assets	<u>\$ 341,985</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ 291,722</u>

Depreciation expense charged to business activities for the year ended December 31, 2023 was \$28,818.

**Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023**

Note 5 Notes Payable

On September 5, 2014 the Authority entered into a promissory note with First National bank of Las Animas totaling \$300,000. The note carries a rate of 5.75% interest requiring the repayment of interest only for the first 12 months and is fully amortized thereafter with a maturity date of September 1, 2028. Out of the note proceeds the Authority paid off the 2009 Series Bonds totaling \$270,288 and used the balance of funds to pay off the sidewalk loan and improvements to the building. The loan is utilized by the State and Local program. The loan was paid off as of December 31, 2023.

On May 30, 2023 the Authority entered into a promissory note with First National bank of Las Animas totaling \$400,000. The note carries a variable interest rate. For the first 60 months the rate will be 7.72%, thereafter the interest rate is subject to change based on the First National Bank Ag/Commercial variable rate. Out of the note proceeds the Authority paid off the 2014 Series loan totaling \$140,156, the Total Concept loan totaling \$117,853 and used the balance of funds for operations and improvements to the building. Due to the variable nature of the loan a future amortization schedule cannot be determined.

On October 25, 1995, the authority obtained a First Mortgage Construction Loan (“loan”) from Colorado Housing and Finance Authority (CHFA) in the amount of \$159,000 bearing 8% interest rate. The loan proceeds were used to construct the 10 Farm labor units in the Bent County. On March 28, 1997, the loan was converted to a permanent 30-year first mortgage payable monthly with principal and interest beginning May 1, 1997. The rate of interest on loan was 7.5%. The loan is secured by 10 Farm Labor units.

Effective January 1, 2002 CHFA agreed to reduce the interest rate to 6.5 percent. On January 1, 2013 CHFA issued a 6-month forbearance and capitalized the interest from that time period. Regular payments resumed on July 1, 2013 with a maturity date of April 1, 2027. As of December 31, 2023, future payments were as follows:

Year	Principal	Interest	Total
2024	\$ 10,676	\$ 2,185	\$ 12,861
2025	11,391	1,470	12,861
2026	12,154	707	12,861
2027	4,229	57	12,861
Total	<u>\$ 38,450</u>	<u>\$ 4,419</u>	<u>\$ 51,444</u>

On October 25, 1995, the Authority obtained a second mortgage loan from United States Department of Agriculture, Farmers Home Administration, in the amount of \$420,200. The loan is secured by second mortgage lien on 10 farm labor housing units and the revenues derived from rents from the property. On September 1, 2023 the Authority entered into a reamortization agreement on the loan which extended its payments until October 1, 2028. The loan has an interest rate of 1% and payments of \$1,477 due monthly. As of December 31, 2023, future payments were as follows:

Year	Principal	Interest	Total
2024	\$ 16,961	\$ 763	\$ 17,724
2025	17,131	593	17,724
2026	17,303	421	17,724
2027	17,477	242	17,724
2028	14,700	67	14,767
Total	<u>\$ 83,572</u>	<u>\$ 2,086</u>	<u>\$ 85,663</u>

Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 5 Notes Payable (Continued)

During 2014 HUD conducted an audit of the Authority's Housing Choice Vouchers program. As a result of this review HUD has determined that funding from prior years designated for housing assistance payments were used for unallowable purposes. On May 28, 2014 the Authority executed a formal repayment agreement with HUD. The Authority is required to repay \$700 per month to the housing choice voucher program until the balance is repaid in full, with payments beginning on July 1, 2014 and the term not to exceed a 15-year period at 0% interest.

Year	Principal	Interest	Total
2024	\$ 8,400	\$ -	\$ 8,400
2025	6,713	-	6,713
Total	<u>\$ 15,113</u>	<u>\$ -</u>	<u>\$ 15,113</u>

The Authority entered into a note agreement in 2014 in the amount of \$117,853 with Tri County Housing. The proceeds of the note were used to fund operations and repairs and maintenance to the facilities. The note carries an interest rate of 0% and is payable as cash flow becomes available, therefore a schedule of annual payments is not available.

Changes in long term debt for the year ending December 31, 2023 were as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Amounts Due Within One Year
CHFA	\$ 48,456	\$ -	\$ 10,006	\$ 38,450	\$ 10,676
USDA	100,364	-	16,792	83,572	16,961
First National Bank	149,683	-	149,683	-	-
First National Bank	-	400,000	5,012	394,988	9,133
HUD	23,513	-	8,400	15,113	8,400
Tri County Housing	117,853	-	117,853	-	-
Total Long-term Debt	<u>\$ 496,255</u>	<u>\$ 400,000</u>	<u>\$ 307,746</u>	<u>\$ 532,123</u>	<u>\$ 45,170</u>

Note 6 Tax, Spending, and Debt Limitation

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded, unless the local electorate votes to retain the revenue. The Tabor Amendment is subject to many interpretations; however, the Authority believes it is exempt because it receives no taxes and is funded primarily by federal grants and contributions.

Note 7 Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. These risks are covered by commercial insurance purchased from independent insurance companies. Settled claims for these risks have not exceeded commercial insurance coverage's in the past three years.

Las Animas / Bent County Housing Authority
Notes to the Financial Statements (Continued)
December 31, 2023

Note 8 Claims and Judgments and Subsequent Events

The Authority participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government.

Other Supplemental Information

Las Animas / Bent County Housing Authority
Combining Schedule of Program Net Position
December 31, 2023

	State & Local	Housing Choice Vouchers	Rural Development	Total
ASSETS				
Current Assets				
Cash and cash equivalents - unrestricted	\$ 81,452	\$ -	\$ 7,807	\$ 89,259
Cash security deposits	9,376	-	9,602	18,978
Accounts receivable, net	4,008	-	1,088	5,096
Other receivables	7,481	-	-	7,481
Prepaid expenses	2,408	7,752	-	10,160
Escrow accounts	-	-	5,741	5,741
Due from other programs	97,932	9,204	-	107,136
Cash - restricted	-	20,136	53,127	73,263
Total Current Assets	<u>202,657</u>	<u>37,092</u>	<u>77,365</u>	<u>317,114</u>
Capital assets				
Land	79,007	3,000	-	82,007
Buildings	1,123,169	22,000	639,064	1,784,233
Machinery and equipment	26,674	31,798	6,534	65,006
Less: accumulated depreciation	(993,717)	(34,068)	(611,739)	(1,639,524)
Net Capital Assets	<u>235,133</u>	<u>22,730</u>	<u>33,859</u>	<u>291,722</u>
Total Assets	<u>437,790</u>	<u>59,822</u>	<u>111,224</u>	<u>608,836</u>
LIABILITIES				
Current Liabilities				
Accounts payable	1,552	33,559	18,633	53,744
Accrued interest	-	-	278	278
Tenant security deposits	9,376	-	9,602	18,978
Accrued payroll taxes	2,901	-	-	2,901
Due to other programs	1,165	-	105,971	107,136
Long term debt - current portion	9,133	8,400	27,637	45,170
Total Current Liabilities	<u>24,127</u>	<u>41,959</u>	<u>162,121</u>	<u>228,207</u>
Long Term Liabilities				
Long term debt	385,855	6,713	94,385	486,953
Total Long Term Liabilities	<u>385,855</u>	<u>6,713</u>	<u>94,385</u>	<u>486,953</u>
Total Liabilities	<u>409,982</u>	<u>48,672</u>	<u>256,506</u>	<u>715,160</u>
Net Position				
Net investment in capital assets	(159,855)	22,730	(88,163)	(225,288)
Restricted for HAP	-	51,833	-	51,833
Restricted - other	-	-	53,127	53,127
Unrestricted	187,663	(63,413)	(110,246)	14,004
Total Net Position	<u>\$ 27,808</u>	<u>\$ 11,150</u>	<u>\$ (145,282)</u>	<u>\$ (106,324)</u>

Las Animas / Bent County Housing Authority
Combining Schedule of Program Revenues, Expenses and Changes in Net Position
December 31, 2023

	State & Local	Housing Choice Vouchers	Rural Development	Total
Operating Revenues				
Dwelling Rental - Net	\$ 66,343	\$ -	\$ 20,715	\$ 87,058
Rental Subsidy	68,514	-	80,742	149,256
Administrative Fee	-	91,051	-	91,051
Miscellaneous Revenue	1,556	159	698	2,413
Total Operating Revenues	<u>136,413</u>	<u>91,210</u>	<u>102,155</u>	<u>329,778</u>
Operating Expenses				
General and Administrative	24,903	80,261	20,645	125,809
Utilities	24,353	1,569	11,382	37,304
Maintenance and Operation	43,917	6,486	41,196	91,599
Depreciation and Amortization	21,780	4,197	2,841	28,818
Total Operating Expenses	<u>114,953</u>	<u>92,513</u>	<u>76,064</u>	<u>283,530</u>
Operating Income (Loss)	21,460	(1,303)	26,091	46,248
Non-Operating Revenues (Expenses)				
HUD Contributions and Grants	-	542,807	-	542,807
Housing Assistance Payments	-	(562,739)	-	(562,739)
Interest Expense and Loan Issuance Costs	(35,425)	-	(3,976)	(39,401)
Interest Income	127	3	426	556
Total Non-Operating Revenues (Expenses)	<u>(35,298)</u>	<u>(19,929)</u>	<u>(3,550)</u>	<u>(58,777)</u>
Change in Net Position	(13,838)	(21,232)	22,541	(12,529)
Net Position, Beginning of Year	41,646	32,382	(167,823)	(93,795)
Net Position, End of Year	<u>\$ 27,808</u>	<u>\$ 11,150</u>	<u>\$ (145,282)</u>	<u>\$ (106,324)</u>

Las Animas Housing Authority (CO024)
Las Animas, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$81,452			\$7,807	\$89,259		\$89,259
112 Cash - Restricted - Modernization and Development				\$53,127	\$53,127		\$53,127
113 Cash - Other Restricted			\$20,136		\$20,136		\$20,136
114 Cash - Tenant Security Deposits	\$9,376			\$9,602	\$18,978		\$18,978
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$90,828	\$0	\$20,136	\$70,536	\$181,500	\$0	\$181,500
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government	\$1,916				\$1,916		\$1,916
125 Accounts Receivable - Miscellaneous	\$7,481			\$5,741	\$13,222		\$13,222
126 Accounts Receivable - Tenants	\$3,442			\$1,500	\$4,942		\$4,942
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,350			-\$412	-\$1,762		-\$1,762
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$11,489	\$0	\$0	\$6,829	\$18,318	\$0	\$18,318
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$2,408		\$7,752		\$10,160		\$10,160
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From	\$97,932		\$9,204		\$107,136	-\$107,136	\$0
145 Assets Held for Sale							
150 Total Current Assets	\$202,657	\$0	\$37,092	\$77,365	\$317,114	-\$107,136	\$209,978
161 Land	\$79,007		\$3,000		\$82,007		\$82,007
162 Buildings	\$1,123,169		\$22,000	\$639,064	\$1,784,233		\$1,784,233
163 Furniture, Equipment & Machinery - Dwellings	\$26,674			\$6,534	\$33,208		\$33,208
164 Furniture, Equipment & Machinery - Administration			\$31,798		\$31,798		\$31,798
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$993,717		-\$34,068	-\$611,739	-\$1,639,524		-\$1,639,524
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$235,133	\$0	\$22,730	\$33,859	\$291,722	\$0	\$291,722
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets	\$0				\$0		\$0
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$235,133	\$0	\$22,730	\$33,859	\$291,722	\$0	\$291,722
200 Deferred Outflow of Resources							
290 Total Assets and Deferred Outflow of Resources	\$437,790	\$0	\$59,822	\$111,224	\$608,836	-\$107,136	\$501,700
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$1,552		\$33,559	\$18,633	\$53,744		\$53,744
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$2,901				\$2,901		\$2,901
322 Accrued Compensated Absences - Current Portion							
324 Accrued Contingency Liability							
325 Accrued Interest Payable				\$278	\$278		\$278
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government							
341 Tenant Security Deposits	\$9,376			\$9,602	\$18,978		\$18,978
342 Unearned Revenue							
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$24,432			\$33,922	\$58,354		\$58,354
344 Current Portion of Long-term Debt - Operating Borrowings			\$8,400		\$8,400		\$8,400
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To	\$1,165			\$105,971	\$107,136	-\$107,136	\$0
348 Loan Liability - Current							
310 Total Current Liabilities	\$39,426	\$0	\$41,959	\$168,406	\$249,791	-\$107,136	\$142,655

Las Animas Housing Authority (CO024)
Las Animas, CO
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$370,556			\$88,100	\$458,656		\$458,656
352 Long-term Debt, Net of Current - Operating Borrowings			\$6,713		\$6,713		\$6,713
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current							
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities							
350 Total Non-Current Liabilities	\$370,556	\$0	\$6,713	\$88,100	\$465,369	\$0	\$465,369
300 Total Liabilities	\$409,982	\$0	\$48,672	\$256,506	\$715,160	-\$107,136	\$608,024
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	-\$159,855		\$22,730	-\$88,163	-\$225,288		-\$225,288
511.4 Restricted Net Position			\$51,833	\$53,127	\$104,960		\$104,960
512.4 Unrestricted Net Position	\$187,663	\$0	-\$63,413	-\$110,246	\$14,004		\$14,004
513 Total Equity - Net Assets / Position	\$27,808	\$0	\$11,150	-\$145,282	-\$106,324	\$0	-\$106,324
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$437,790	\$0	\$59,822	\$111,224	\$608,836	-\$107,136	\$501,700

Las Animas Housing Authority (CO024)
Las Animas, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	2 State/Local	10,415 Rural Rental Housing Loans	14,871 Housing Choice Vouchers	10,427 Rural Rental Assistance Payments	Subtotal	Total
70300 Net Tenant Rental Revenue	\$66,253			\$20,614	\$86,867	\$86,867
70400 Tenant Revenue - Other	\$90			\$101	\$191	\$191
70500 Total Tenant Revenue	\$66,343	\$0	\$0	\$20,715	\$87,058	\$87,058
70600 HUD PHA Operating Grants			\$633,858		\$633,858	\$633,858
70610 Capital Grants						
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants	\$68,514			\$80,742	\$149,256	\$149,256
71100 Investment Income - Unrestricted	\$127			\$426	\$553	\$553
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery						
71500 Other Revenue	\$1,556		\$159	\$698	\$2,413	\$2,413
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted			\$3		\$3	\$3
70000 Total Revenue	\$136,540	\$0	\$634,020	\$102,581	\$873,141	\$873,141
91100 Administrative Salaries	\$6,525		\$36,055	\$6,465	\$49,045	\$49,045
91200 Auditing Fees	\$1,381		\$10,680	\$426	\$12,487	\$12,487
91300 Management Fee	\$11,567		\$9,600	\$8,342	\$29,509	\$29,509
91310 Book-keeping Fee	\$1,330		\$33	\$33	\$1,396	\$1,396
91400 Advertising and Marketing	\$800		\$215	\$250	\$1,265	\$1,265
91500 Employee Benefit contributions - Administrative	\$56		\$1,020		\$1,076	\$1,076
91600 Office Expenses	\$1,745		\$18,511	\$1,172	\$21,428	\$21,428
91700 Legal Expense						
91800 Travel						
91810 Allocated Overhead						
91900 Other	\$66			\$60	\$126	\$126
91000 Total Operating - Administrative	\$23,470	\$0	\$76,114	\$16,748	\$116,332	\$116,332
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other						
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$8,625		\$166	\$4,762	\$13,553	\$13,553
93200 Electricity	\$2,177		\$1,124	\$2,123	\$5,424	\$5,424
93300 Gas	\$2,620			\$1,095	\$3,715	\$3,715
93400 Fuel						
93500 Labor						
93600 Sewer	\$5,648		\$136	\$536	\$6,320	\$6,320
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense	\$5,284		\$143	\$2,866	\$8,293	\$8,293
93000 Total Utilities	\$24,354	\$0	\$1,569	\$11,382	\$37,305	\$37,305
94100 Ordinary Maintenance and Operations - Labor	\$7,236		\$69	\$6,395	\$13,700	\$13,700
94200 Ordinary Maintenance and Operations - Materials and Other	\$16,994		\$1,219	\$21,982	\$40,195	\$40,195
94300 Ordinary Maintenance and Operations Contracts	\$1,764		\$190	\$1,660	\$3,614	\$3,614
94500 Employee Benefit Contributions - Ordinary Maintenance						

Las Animas Housing Authority (CO024)
Las Animas, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	2 State/Local	10,415 Rural Rental Housing Loans	14,871 Housing Choice Vouchers	10,427 Rural Rental Assistance Payments	Subtotal	Total
94000 Total Maintenance	\$25,994	\$0	\$1,478	\$30,037	\$57,509	\$57,509
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$17,691			\$10,261	\$27,952	\$27,952
96120 Liability Insurance						
96130 Workmen's Compensation			\$2,283	\$812	\$3,095	\$3,095
96140 All Other Insurance			\$2,725		\$2,725	\$2,725
96100 Total Insurance Premiums	\$17,691	\$0	\$5,008	\$11,073	\$33,772	\$33,772
96200 Other General Expenses	\$233		\$3,910	\$87	\$4,230	\$4,230
96210 Compensated Absences						
96300 Payments in Lieu of Taxes						
96400 Bad debt - Tenant Rents	\$1,431			\$3,898	\$5,329	\$5,329
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$1,664	\$0	\$3,910	\$3,985	\$9,559	\$9,559
96710 Interest of Mortgage (or Bonds) Payable	\$35,425			\$3,976	\$39,401	\$39,401
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$35,425	\$0	\$0	\$3,976	\$39,401	\$39,401
96900 Total Operating Expenses	\$128,598	\$0	\$88,079	\$77,201	\$293,878	\$293,878
97000 Excess of Operating Revenue over Operating Expenses	\$7,942	\$0	\$545,941	\$25,380	\$579,263	\$579,263
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments			\$562,977		\$562,977	\$562,977
97350 HAP Portability-In						
97400 Depreciation Expense	\$21,780		\$4,197	\$2,841	\$28,818	\$28,818
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$150,378	\$0	\$655,253	\$80,042	\$885,673	\$885,673
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$13,838	\$0	-\$21,233	\$22,539	-\$12,532	-\$12,532

Las Animas Housing Authority (CO024)
Las Animas, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	Subtotal	Total
11020 Required Annual Debt Principal Payments	\$9,133	\$0	\$0	\$27,637	\$36,770	\$36,770
11030 Beginning Equity	\$46,753	\$0	\$28,123	-\$167,821	-\$92,945	-\$92,945
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$5,107		\$4,260		-\$847	-\$847
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity			-\$40,683		-\$40,683	-\$40,683
11180 Housing Assistance Payments Equity			\$51,833		\$51,833	\$51,833
11190 Unit Months Available	168		1524	120	1812	1812
11210 Number of Unit Months Leased	153		1166	98	1417	1417
11270 Excess Cash					\$0	\$0
11610 Land Purchases					\$0	\$0
11620 Building Purchases					\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases					\$0	\$0
11640 Furniture & Equipment - Administrative Purchases					\$0	\$0
11650 Leasehold Improvements Purchases					\$0	\$0
11660 Infrastructure Purchases					\$0	\$0
13510 CFFP Debt Service Payments					\$0	\$0
13901 Replacement Housing Factor Funds					\$0	\$0

SINGLE AUDIT SECTION

Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Las Animas Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Las Animas Housing Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Las Animas Housing Authority's basic financial statements, and have issued our report thereon dated August 30, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Las Animas Housing Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Las Animas Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Las Animas Housing Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PO Box 1576
Fort Collins, CO 80522

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Las Animas Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Fort Collins, Colorado
August 30, 2024

Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE UNIFORM GUIDANCE

To the Board of Commissioners
Las Animas Housing Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Las Animas Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Las Animas Housing Authority's major federal programs for the year ended December 31, 2023. Las Animas Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Las Animas Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Las Animas Housing Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Las Animas Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Las Animas Housing Authority's federal programs.

PO Box 1576
Fort Collins, CO 80522

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Las Animas Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Las Animas Housing Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Las Animas Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Las Animas Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Las Animas Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Drum & Associates LLC

Fort Collins, Colorado
August 30, 2024

**Las Animas / Bent County Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Federal Award Expenditures
U.S. Department of Housing and Urban Development (HUD)		
Housing Choice Vouchers (Housing Voucher Cluster)	14.871	\$ 653,790
Total Housing Voucher Cluster and HUD		<u>653,790</u>
U.S. Department of Agriculture		
Rural Development-Rental Assistance	10.427	80,742
Rural Development Loan	10.415	100,363
Total U.S. Department of Agriculture		<u>181,105</u>
Total Federal Awards Expended		<u><u>\$ 834,895</u></u>

There were no federal awards passed through to sub recipients in the current year.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Las Animas / Bent County Housing Authority. All federal financial assistance received by the reporting entity directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

Basis of presentation

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal financial assistance provided to sub recipients is treated as an expenditure when it is paid to the sub recipient.

Las Animas / Bent County Housing Authority uses the de minimis indirect cost rate of 10%.

Loan Guarantees

The Authority had one loan that was guaranteed by the U.S. Department of Agriculture. The ending balance of each of the loan at December 31, 2023 was \$83,571.

Las Animas / Bent County Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2023

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Noncompliance material to financial

- statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material Weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No

Identification of major programs:

Housing Choice Vouchers 14.871

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Audited qualified as low-risk audited? Yes No

**Las Animas / Bent County Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2023**

Current Year Findings:

None

Prior Year Findings:

Status: All corrective actions for prior year findings have been implemented.

2023-001 Annual Housing Quality Standards Inspections

Criteria: The PHA must inspect the unit leased to a family at least bi-annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b))

Condition: The control deficiency exists due to three instances out of thirteen samples in which a unit failed the initial inspection and the re-inspection was either not performed or not properly documented.

Cause: Due to the turnover of personnel there were not enough personnel allotted to ensure compliance with HQS inspections

Effect: The Authority is not in compliance with 24 CFR sections 982.158(d) and 982.405(b), which required it to at least annually inspect units to ensure they meet HQS.

Recommendation: We recommend that the Authority review its policy to inspect units annually and to ensure that there is staff available to perform these inspections and to follow up on any deficiencies.

Views of responsible officials and corrective action plans: the one staff position turned over in 2022 and 2023 and the organization experienced recruitment difficulties in the small rural community. The Management Agent implemented a short-term solution by utilizing upper management to perform essential functions of the position until it was filled in early 2024 by permanent staff. In that short-term interim, HQS were performed if tenant had an issue that needed addressed, or a request was presented to LA/BC HA. It was also determined that PIC was not being updated in early 2023 due to staff performance and INSPIRE technology issues. Bi-annual inspections continued until permanent staff were hired. As of February 2024, the LA/BC HA has performed all HQS inspections to move to the triennial inspection allowable for small rural Housing Authorities. We believe this Finding has been resolved.

2023-002 Income Review and Minimum Tenant Contribution

Criteria: 24 CFR section 982.516 require that the Authority reexamine family income and composition annually, or upon the change of household income, verify the family income, and adjust the tenant rent and housing assistance payments as needed.

Condition: The control deficiency exists due to two instances out of thirteen samples in which the Authority failed to properly document an instance of zero income, or did not properly calculate the tenant portion of the rent.

Cause: The cause of the deficiency was related to the improper input of information into the system and the failure to obtain proper documentation of income related items in accordance with the Authority's policies.

Las Animas / Bent County Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2023

Effect: The Authority is not in compliance with 24 CFR sections 982.516 which requires it to obtain and document in the file reported family annual income and to determine the tenant's portion of the rent.

Recommendation: We recommend that the Authority communicate the income verification policy with all employees and to ensure the employees have training sufficient to comply with these policies.

Views of responsible officials and corrective action plans: With the new staff member hired in 2024 and controls inherent in the newly implemented software, review and recalculation can be conducted more readily by Management. The new staff member has been provided much more training, especially after the Pandemic restrictions have been relaxed, and this staff member will be pursuing Certification in Voucher Management Specialist

2023-003 Payments to Landlords and Payment Standards

Criteria: 24 CFR section 982 subpart K establishes the maximum amount of subsidy a family may receive regardless of the rent the owner charges for the unit.

Condition: The control deficiency exists due to one instance out of thirteen samples in which the Authority failed to properly apply the payment standard for the unit, resulting in the total subsidy being in excess of the payment standard.

Cause: The cause of the deficiency was related to the improper input of information into the system.

Effect: The Authority is not in compliance with 24 CFR sections 982 subpart K which requires it to calculate the maximum amount of subsidy which a tenant is eligible.

Recommendation: We recommend that the Authority implement a procedure to review the calculation and entry of tenant amounts into the system.

Views of responsible officials and corrective action plans: This response is similar to the response regarding Finding 2024-003 in that the new staff member hired in 2024 and controls inherent in the newly implemented software provides for review and recalculation to be conducted more readily by Management. The new staff member has been provided and has accepted much more training, especially after the Pandemic restrictions have been relaxed. This staff member will be pursuing Certification in Voucher Management Specialist and periodically trains and re-trains on the software features and capabilities.

2023-004 Rent Reasonableness Calculation

Criteria: 24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507 requires the Authority to document the basis for the determination that the rent to owner is a reasonable rent as outlined in their administrative plan

Condition: The control deficiency exists due to documentation of reasonable rent that is inadequate to determine the calculation of reasonable rent and did not contain sufficient information to support the calculation.

Cause: The cause of the deficiency was related to turnover of employees.

Effect: The Authority is not in compliance with 24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507

Las Animas / Bent County Housing Authority
Schedule of Findings and Questioned Costs (Continued)
December 31, 2023

Recommendation: We recommend that the Authority review their procedures to ensure reasonable rent is properly documented and update their administrative plan to reflect any changes.

Views of responsible officials and corrective action plans: Management has reviewed procedures and practices related to document filing and retention. Specifically, all forms and file items to include supporting documents and calculations will be in hard-copy form rather than only electronically.

2023-005 Submission to the Federal Audit Clearinghouse

Criteria: 2 CFR 200.36 of the Uniform Guidance requires the Authority to submit the audited financial statements to the Federal Audit Clearinghouse within 30 days of the completion of the audit, but no later than nine months from the conclusion of the fiscal year.

Condition: The control deficiency exists due the audited financial statements not being submitted to the Federal Audit Clearinghouse until subsequent to the submission deadline

Cause: The cause of the deficiency was related to internal delays resulting in the submission of the audited financial statements subsequent to the submission deadline

Effect: The Authority is not in compliance with 2 CFR 200.36 of the Uniform Guidance.

Recommendation: We recommend that the Authority review their procedures to ensure timely submission of the audited financial statements.

Views of responsible officials and corrective action plans: Staff responsible for the timely completion of financial records and reports are no longer employed by the Management Agent. An additional temporary consultant that is professionally trained and credentialed has been engaged to assist with trial balance and workpaper preparation to address delays and ensure timely submissions. This 2023 audit and submission will occur within the requirement.